

## The impact of digitalisation on the world of work in the met industries

### *An industriAll Europe & Ceemet joint position*

**Brussels, November 9<sup>th</sup> 2020**, While it is probably too early to say how far-reaching these changes will be, it is already clear that the COVID-19 pandemic is a tipping point for technology dissemination and the digital transformation of MET industries and workplaces. This trend was already well underway, as the pace of digital transformation has been steadily affecting every link of the value chain, from supply and production to research and development, from development to factory operations, sales and services. This transformation is taking place at all levels and is thus leaving its marks on the way the MET industries work.

#### ***The MET industries in 2016 and 2020***

In the wake of the first joint statement on the impact of digitalisation on the world of work in the MET industries issued in 2016 (see here) and the different joint initiatives<sup>1</sup>, the aim of this updated statement is to continue to promote a shared vision of the challenges and opportunities for workers and employers resulting from the digital transformation, as well as to raise awareness about the practices/collective agreements concluded by social partners to ensure the best possible outcomes for both employers and workers.

While digitalisation is no longer a novel concept, the potential and challenges it entails both for companies and employees are uncontested. As technological progress continues to change the way we work, policymakers have also adapted and/or issued specific labour law regulations, including making room for testing new models, to adapt to this new normal in the industrial sector. In addition to new regulations, a jointly managed approach by social partners and negotiated solutions are key to ensure that the best opportunities for both employers and workers are seized.

#### ***The key role of social partners***

Social partners have a key role to play in supporting a swift and sustainable digital transformation of industry. This applies to the national, regional level [and local] level; the local level is vital as social partners provide more efficient and innovative tailored solutions at that level, as they are closer to and better aware of the challenges that employees and companies face. Sectoral agreements are also important to create a level playing field for all companies and workers and to ensure equal treatment.

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<sup>1</sup> During the past 4 years, industriAll and Ceemet have discussed in their social dialogue the consequences of digitalisation on the MET industries, including the fundamental changes taking place in work organisation as a result of digitalisation (on skills, health & safety, data protection, work organisation, etc.). Moreover, to better understand the effects of digitalisation on the shop floor, the MET social partners have gathered and analysed company examples and have also organised joint company visits.

The European Social Partners Framework Agreement on Digitalisation signed by BusinessEurope, ETUC, CEEP and SMEunited on 22nd June 2020 is a landmark which aims to support the successful digital transformation of Europe's economy and will help manage its broader implications for labour markets, the world of work and society at large. IndustriAll Europe and Ceemet fully support this framework agreement, which creates the conditions for successful integration of digital technologies at the workplace, investment in digital skills, skills updating and continuous employability of the workforce. It will enable employers and unions to introduce digital transformation strategies in partnership and in a human-centered approach at national, sectoral, company and workplace levels.

### **THE IMPACT OF DIGITALISATION ON WORK ORGANISATION**

The ongoing digital transformation of industry will continue to modify traditional work patterns and management styles and thus impacts the way work is organised and managed. Furthermore, the pandemic has significantly accelerated the evolution of the way we work and how we organise work.

Digital opportunities offer more time flexibility, in addition to the possibility of better reconciling work and personal life, in occupations where they are applicable.

We have also seen a growing number of collective agreements reached between social partners, allowing, for instance, work anytime, anywhere for the benefit of employees and employers, such as agreements on telework.

At the same time, the boundaries between work and leisure time become increasingly blurry. Work organisation should be adapted to protect workers' health and safety and ensure the smooth running of companies. As already illustrated by many agreements, either at company or sector level, social partners are well placed to reach tailored solutions on telework and mobile work, ensuring that opportunities for organising work remotely are seized and the risks of being overly connected are duly addressed. This requires training measures supported by a commitment from all stakeholders.

The Covid-19 pandemic has brought social partners closer together and has shown that challenges can often better be tackled jointly.

During lockdown due to the COVID-19 crisis, and where applicable, telework has proven to be a key tool to safeguard health and safety and to ensure business and work continuity.

### ***Industrial relations and collective bargaining***

The rapid transformation of the world of work in a digitalised industry also has important consequences on industrial relations and collective bargaining systems. Collective bargaining systems still play a prominent role in determining working conditions and in regulating employment relations: its unique selling propositions have to be singled out, such as the fact that a strong social partnership

leads to lower levels of unemployment and higher salaries<sup>2</sup>. Also, in times of crisis, appropriate and shared solutions have been found, showing that collective agreements and social partnerships can adapt in a responsible way.

However, technological progress is posing new questions today on how industrial relations and collective bargaining systems are articulated. The increased flexibility in working time patterns, and the emergence of start-ups and new types of work also raise questions about how the new actors of the “platform economy” and others can be interested in, and represented by, social partners.

### ***The added value of social partners***

In this context of rapidly changing parameters, industriAll Europe and Ceemet are of the firm belief that it will become

Member States should leave enough room for manoeuvre for social partners to manage and shape the digital transformation of industry, including room to best adapt collective bargaining to the changing world of work.

increasingly important to find tailored solutions to the challenges companies and employees encounter. Strong, mandated and representative social partners can facilitate that, as they are best placed to deal with the new challenges and bargain on new issues that emerge as a consequence of the new digital normal. In the growing platform and start-up economy, representative and independent social partners will be responsible for adequately representing new actors and addressing the challenges connected to the changing world of work.

This is why EU and national policymakers should support capacity building of social partners with the aim of strengthening an autonomous social partnership and supporting

The EU should allocate more and easily accessible EU funds to support capacity building of social partners to contribute to an effective and well-functioning social dialogue.

the development of robust industrial relations systems. In particular, where collective bargaining systems have been dismantled due to political interference, they need to be rebuilt. The EU should also facilitate a structured exchange of good examples of EU, national, regional and local agreements in this area to facilitate sustainable digital uptake in the economy.

## **THE IMPACT OF DIGITALISATION ON SKILLS**

The ability of companies and workers in the MET industries to anticipate and adapt to the skills needed to embrace the high-speed shift to digitalisation and other technological developments is a major driver to sustain growth and quality jobs in our sector. Responsive education and training systems, which deliver skills and competences that match labour market needs and support workers’ employability, are an absolute prerequisite to meeting the MET industries’ skills challenge. That challenge is not to be underestimated, as it is imperative to avoid the skills shortage and massive loss

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<sup>2</sup> According to the Commission (Commission first phase consultation of Social Partners under Article 154 TFEU on a possible action addressing the challenges related to fair minimum wages), the number of low-paid workers is lower in countries with a higher collective bargaining coverage.

of strategic know-how that could occur in a fast-paced transition to digital and green economies, combined with large-scale Covid-19 related restructuring plans, if not managed in a strategic and socially responsible way, and despite measures taken in many countries to cushion the impact of the Covid-19 crisis (e.g. resorting to short-time work schemes).

Ceemet and industriAll Europe have long been advocating for first-class vocational education and training (VET) strategies to support the MET industries in thriving and adapting to a fast-evolving world. Anticipation of skills needs, and continuous learning and retraining policies are all instrumental to the ability of MET sector companies and workers to cope with major technological transformations in a socially responsible manner, thereby supporting jobs and growth. Recently, industriAll Europe and Ceemet recalled again that it is high time for a genuine change of mindset regarding VET. While blue and white collar workers are equally impacted by digitalisation, their needs in terms of up-skilling and re-skilling are different and tailored solutions should be pursued. Re-skilling, training and further education must become an ongoing process throughout working life; a proper anticipation of skills requirements to ensure adequate and responsive VET systems; providing priority (STEM, soft and digital) skills at all levels of education and training; securing quality training with a strong component of work-based learning; and ensuring that VET, and all re-skilling and training systems in general, rely on social dialogue and the close involvement of social partners<sup>3</sup>. All these points remain all the more relevant as the Covid-19 crisis is further adding to the skills challenge of the twin transition to digital and green societies.

IndustriAll Europe and Ceemet therefore welcome the push provided by the European Commission's publication in early July of its "New Skills agenda for sustainable competitiveness, social fairness and resilience". Strengthening skills intelligence, especially at sectoral and regional levels; fostering national skills strategies with a particular focus on transversal, green, digital and STEM skills; promoting VET, work-based learning and permeability between different educational pathways by proposing a dedicated Council recommendation; and supporting a culture of lifelong learning as foreseen in the 2020 New Skills Agenda are key initiatives for the MET industries to seize under current circumstances.

Ceemet and industriAll Europe, however, underline the urgency to also secure access to initial and continuous VET for all workers, in all companies, including SMEs, and stress that, at a time of unprecedented economic turmoil and deep transition to digital and green economies, this is not the time for the EU, Member States and companies to cut spending on apprenticeships and continuing vocational education and training or financial support, including for the re-skilling of laid-off workers (such as the European Globalisation Fund). Particular attention must be paid to SMEs. SMEs often do not have the resources to appropriately address the skills challenge of our industries. The situation of SMEs, which often do not have the financial, organisational or human resources to provide further training, should thus be especially taken into account.

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<sup>3</sup> See [industriAll Europe and Ceemet joint priorities on skills/education/training, October 2019](#).

### ***Invest in skills, including digital skills***

The digital transformation of industry demands a skillset that needs to be urgently developed across all levels of education. The Covid-19 pandemic has also evidenced the crucial role of digital skills in adapting swiftly to new work and learning methods. Therefore, policy makers and stakeholders must invest, as a matter of high priority, in training policies aimed at providing workers with both basic (numeracy, literacy) and digital skills. Moreover, greater efforts must be made to highlight Science, Technology, Engineering and Mathematics (STEM) as educational priority areas at all levels.

However, in a highly digitalised world, skills other than purely digital skills are also needed. Soft skills, such as advanced analytical thinking, an innovative spirit, the ability to communicate and take decisions, group work, critical thinking, the ability to take initiatives, problem solving and innovation are also of great importance.

In complement to face-to-face training, new online tools can make available training offers more easily accessible and affordable. Offline, online (e.g. massive open online courses MOOCs) and blended training can facilitate customised learning adapted to workers' needs and foster incentivisation for continuous training. The flexibility offered by online training must go hand in hand with the delivery of high-quality training, which focusses on learning outcomes and leads to the validation and recognition of acquired skills to foster up- and reskilling in the MET industries. A precondition for such quality assurance is to step up efforts to secure workers' access to the required technological equipment (including internet access), support the re- and upskilling of trainers and build better connections with VET providers on the road to digital training. In this regard, industriAll Europe and Ceemet call for more investments in broadband infrastructure in all regions and Member States, and targeted support for SMEs.

## **DIGITALISATION, OCCUPATIONAL HEALTH AND SAFETY & INCLUSION**

Certain aspects of the digital transformation of industry continue to provide important benefits to Occupational Safety and Health (OSH) by automating hazardous or dangerous tasks, or using smart Personal Protective Equipment (PPE) to detect hazards, ideally before they turn into concrete risks. Other developments can intensify work and make it more repetitive and may have an impact on health. Moreover, excessive cognitive/mental workload can create psychosocial risks.

### ***Data and Sensors***

Sensors have been used for some time in industry, and certain sensors have the ability to detect when an employee is about to be injured and stop the machine before that happens. Furthermore, sensors allow a machine to signal when there is a problem with a tool and tell the employee that it needs to be replaced. These advancements, while beneficial to employees, should preferably not come at the cost of deskilling. Workplace design should intend for the skills required to manage these machines to remain with the employee. It is important to note that with the speed of technological development, right-skilling becomes ever more important.

Sensors in exoskeletons can support workers in certain activities, e.g. lifting, and thus be beneficial for their health. Digitalised workplaces that use smart sensors can measure real time noise levels and set parameters to ensure OSH standards are met. Nevertheless, these technologies must be used in collaboration with traditional OSH tools, such as risk assessments, to ensure the safety of workers.

While digital technology, increasingly combined with AI, improves company efficiency and secures the working environment, it also increases the possibility of surveillance and personal monitoring beyond what is necessary, thus raising the risk of compromising human dignity. In line with the goal that digitalisation should be human-centric, AI-supported tools can also help integrate people with disabilities into the work process.

Furthermore, whereas the introduction of digital technology will change job and skills requirements, it also runs the risk of deskilling and devaluing the work performed by people as they increasingly execute tasks ordered by machines. It is essential to guarantee that humans stay in control and that technological development is for the betterment of human beings. Digital solutions must augment and enrich human involvement.

Transparency, guaranteeing health and safety rules, complying with all national and European applicable laws, as well as early and pro-active involvement of workers, must prevail when introducing digital technology. The use of applications for smart devices engage employees in accident prevention; these apps allow employees to record OSH observations quickly and send a standardised report to a central OSH database. To maximize their user-friendliness, these apps should, whenever possible, be developed with employee input at the earliest stage.

### ***Working with robots***

Cobots have become a safe option for cooperating with workers. They are one of the major advances of recent years and contribute to a sustainable working life for employees of the MET sector. The OSH benefits of working in tandem with robots are, for example, the disappearance of heavy and hazardous tasks. As a result, employees are experiencing healthier working lives.

With AI making its way into manufacturing, as the technology matures, cobots can become truly collaborative and work safely and productively with humans. However, cobots should be introduced taking into consideration the concerns of workers and strengthening a shared OSH vision. We must continue working with employees, through their early and pro-active involvement, and by creating understanding and confidence through life-long learning and, if necessary, training.

Digitalisation continues to promote structural changes in industry and, in particular, have an effect on workers' OSH. Further developments will undoubtedly bring further benefits, however, employees' skills and safety within our MET industries must be considered. It is a common goal to secure skilled MET employees to meet future challenges together.

## THE IMPACT OF DIGITALISATION ON DATA PROTECTION

Data has rapidly become the most important asset that drives the economy and is set to continue to stay in that position. If handled well and securely, data processing can bring added value to entire societies, workers – as highlighted in this paper – or the economy, by creating business opportunities, industrial growth and quality employment in our industries. Obviously, these improvements hinge on the collection, analysis and use of relevant data.

There is no doubt that personal data processing, in the national and international context, must comply with all relevant legal regulations. In the employer-employee relationship, processing and data retention of employees have always played a key role, in particular in the performance of the employment contract, whether for payroll, planning or work organisation, etc... However, this needs to be justified, proportionate, fair and transparent. Clear rules on the processing of personal data help limit the risk of personal data misuse. Ceemet and industriAll support the European GDPR's goal of unifying different, previously co-existing, national data protection systems and the 1995 EU Data Protection Regulation, also with the aim of achieving a Digital Single Market. As advocated in Article 88 of the GDPR, social partners can and, in line with national laws and regulations, should endeavour to lay down by means of collective agreements specific rules to ensure the protection of the rights and freedom of employees with regard to personal data processing in the context of employment relations.

Protection of personal or industrial data is essential. The challenge will be to find the right balance between protecting both the respective worker's personal data and the industries' international competitiveness. Involving social partners is of key importance as they are closer to the needs of their members and in a position to regularly report on the swift evolution of digitalisation in the world of work, thus ensuring that legislation stays fit for purpose.

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### ABOUT

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The **Council of European Employers of the Metal, Engineering and Technology-based industries** is the European employers' organisation representing the interests of the metal, engineering and technology-based industries. Through its national member organisations it represents 200 000 companies across Europe. The vast majority of them are SMEs, providing over 35 million jobs of direct and indirect employment.

**industriAll European Trade Union** is the voice of 7 million working men and women across supply chains in manufacturing, mining and energy sectors across Europe. We aim to protect and advance the rights of the workers.





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